Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Excise Tax e-File & Compliance (ETEC) (Major)
5. UPI:	015-45-01-14-01-2462-00

6. What kind of investment will this be in FY2008?
Planning

7. What was the first budget year this investment was submitted to OMB?
FY2008

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.
The purpose of this new Exhibit 300 is to account for the expenditure of Department of Transportation (DOT) Highway Trust Funding to implement provisions of 23 USC 143. The ETEC project was initiated to meet Excise Tax E-File and Compliance mandates outlined in the American Jobs Creation Act of October 2004 (AJCA '04). In August 2005, the President signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU '05) that allocated money from DOT to the Internal Revenue Service (IRS) to implement provisions of the US Code, relating to highway use tax evasion projects, in particular the additional development of capabilities needed to support new reporting requirements and databases. These Acts direct the IRS to provide the capability for electronic filing and submission of several forms and to enhance IRS ability to detect and prevent Excise Tax Fraud. To support Excise Tax Compliance and in coordination with DOT, ETEC Release 1 will develop an Excise Tax e-filing system capability for Forms 2290 (Heavy Highway Vehicle Use Tax Return and Schedule 1), Forms 720 (Quarterly Federal Excise Tax Return and associated schedule 720X), & Forms 8849 (Claim for Refund of Excise Taxes & associated Schedules). The project will utilize the MeF platform for filing tax and information returns electronically through the Internet via registered Electronic Return Originators (EROs) and to make improvements in filing and processing efficiency through standardization utilizing an Extensible Markup Language (XML) based system. ETEC Release 2 will leverage the electronic filing of the forms to develop two data stores and an application to support compliance activities. From the Form 2290 data, ETEC Release 2 will develop a Vehicle Identification Number (VIN) data store to automate the sharing of payment verification information with state Department of Motor Vehicle (DMV) offices. In addition, with data from Forms 8849 and 720, ETEC Release 2, will develop a fuel customer data store to show trends and potential areas of fraud, and will automate the deliver of Form 8849 claims to Centralized Excise Operations departments for assignment to revenue agents and tax specialists.

9. Did the Agency's Executive/Investment Committee approve this request?
yes

9.a. If "yes," what was the date of this approval?
2006-08-09

10. Did the Project Manager review this Exhibit?
yes

11. Project Manager Name:
Keith, Norman

Project Manager Phone:
202-283-5074

Project Manager Email:
Norman.Keith@irs.gov

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.
no

12.a. Will this investment include electronic assets (including computers)?

no	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Expanded E-Government	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
G2C & G2B Taxpayers & business will e-file Forms 2290, 720, 720X & 8849 G2G-DOT Hi-way Trust Fund is critical to fund DOT programs to finance Fed hi-way construction Motor fuel tax is 90% of Trust Fund E-filing will increase compliance, reduce burden	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a.1. If yes, which compliance area:	
No Value	
19.a.2. If no, what does it address?	
No Value	
19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.	
No Value	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	

Hardware	0
Software	0
Services	0
Other	100

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
yes	
22. Contact information of individual responsible for privacy related questions.	
Name	
Susan Dennis	
Phone Number	
202-622-5438	
Title	

Management and Program Analyst-Privacy Operation
Email
Susan.dennis@irs.gov
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?
yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	8.673
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	0.000	0.000	4.911
# of FTEs	0	0	43

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).
Government FTE Costs should not be included as part of the TOTAL represented.
2. Will this project require the agency to hire additional FTE's?
yes
2.a. If "yes," how many and in what year?
FY2007 -2
3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.
No Value

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2006	Mission and Business Results	System Development	Increase # of forms being developed for eFiling of excise tax returns	0 Forms currently available for electronic filing	3 forms will be available online	Actual results are expected for 2006/2007 tax filing season
2	2006	Customer Results	Accuracy of Service or Product Delivered	Increase stakeholders and customers participation in requirements gathering and analysis and design of system	1 Stakeholder & customer (group) participating in requirements analysis either via meetings or surveys	Increase to 2 Stakeholders and customer participation by 100 %	Actual Results will be determined at the end of FY2006
3	2006	Processes and Activities	Participation	Increase acquisition of resources from collaborating agencies (Treasury/DOT)	5 FTEs	Increase # of FTE to 8 FTEs	Actual Results will be determined at the end of FY2006
4	2006	Technology	Compliance and Deviations	Improve program technology by designing ETEC to use current hardware and software industry standards. This is measured by determining the number of forms and schedules designed to use detailed Extensible Markup Language (XML) vs. manual paper input.	0 forms and schedules designed to use XML	10 forms and schedules designed to use XML	Actual Results will be determined at the end of FY2006
5	2007	Mission and Business Results	System Development	# of Electronic Return Originators (EROs) participating in ETEC system	1 ERO participating	Increase to 2 EROs participating	Actual Results will be determined at the end of FY2007
6	2007	Customer Results	Accuracy of Service or Product Delivered	Increase stakeholders and customers participation in requirements gathering and analysis and design of system	1 Stakeholder & customer (group) participating in requirements analysis either via meetings or surveys	Increase to 3 Stakeholders and customer participation by 100 %	Actual Results will be determined at the end of FY2007
7	2007	Processes and Activities	Participation	Acquisition of resources from	5 FTEs	Increase # of FTE to 10 FTEs	Actual Results will

				collaborating agencies (Treasury/DOT)			be determined at the end of FY2007
8	2007	Technology	Data Reliability and Quality	% customers satisfied w/e-filing in 1st year on legacy e-file systems; will apply this percent to % user satisfied during system test to ensure full integration of ETEC functions in MeF platform serving as interface & processing for e-filing of Forms	User satisfaction rating is 63% during integration testing	Increase to 68% of user satisfaction rating during integration testing to ensure full integration of ETEC capabilities into MeF platform that is serving as the interface and processing for the e-filing of Forms	Actual Results will be determined at the end of FY2007

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

ETEC is fully funded by the Transportation Trust Funding from DOT specifically authorized in the SAFETEA-LU Congressional mandate. ETEC is part of the solution to the Treasury's Tax Mgt architecture segment, residing on the MeF infrastructure. The MeF project team and the EA team are working together to ensure the application will be designed so that it remains consistent with the agency's target architecture.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %

1	Customer/Account Management	Taxpayers and other stakeholders can submit tax returns and receive acknowledgement through a web portal	Customer Relationship Management	Customer / Account Management			No Reuse	6
2	Tax Account Management Business Logic	Manages the electronic or paper capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	85
3	Data Exchange	Interfaces with external systems to receive submissions and internal systems to receive data for validations and to send data to other internal systems for processing	Data Management	Data Exchange			No Reuse	9

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Access Channels	Web Browser	Microsoft Internet Explorer
2	Data Exchange	Service Access and Delivery	Service Transport	Service Transport	HTTPS/SSL over Internet
3	Customer / Account Management	Service Platform and Infrastructure	Delivery Servers	Web Servers	IBM x250/servers

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

6.a. If yes, does customer access require specific software (e.g., a specific web browser version)?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes	
1.a. If yes, what is the date of the plan?	
2006-09-07	
2. If there is currently no plan, will a plan be developed?	
yes	
2.a. If yes, what is the planned completion date?	
2006-09-07	
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)	
Both the life cycle cost estimate and schedule include a risk reserve to cover the possibility of any risk coming to fruition.	

COST & SCHEDULE
Does the earned value management system meet the criteria in ANSI/EIA Standard 748?
no
2.a. What is the Planned Value (PV)?
12.050
2.b. What is the Earned Value (EV)?
6.652
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2006-12-31
8. Have any significant changes been made to the baseline during the past fiscal year?
no